

# The Treasury

## Budget 2014 Information Release

### Release Document

#### July 2014

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- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
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- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



# MINISTRY OF PACIFIC ISLAND AFFAIRS

## 4 YEAR BUSINESS PLAN

### 1.1 Strategic direction

#### *Our Role and Purpose*

Our vision is Successful Pacific peoples. Realising our vision is critical not only for Pacific peoples, but as an investment in New Zealand's future wellbeing and prosperity. Our work is designed to enable and foster this vision.

The Ministry advises the government on policies and interventions for achieving better outcomes for Pacific peoples in New Zealand, which will have positive benefits for the country.

We work with Pacific communities, to inform our advice to government with knowledge of their context, circumstances, issues and opportunities. We also work with and advise Pacific communities of key government policies, programmes and priorities which affect them.

<b>VISION</b>	<b>Successful Pacific Peoples</b>
<b>MISSION</b>	<b>Effecting positive change for Pacific Peoples in New Zealand</b>
<b>GOVERNMENT GOALS</b>	<b>Stronger economy – Better public services</b>
<b>OVERALL OUTCOMES</b>	<b>Pacific earnings on a par with all New Zealanders'</b>
<b>INTERMEDIATE OUTCOMES (MINISTERIAL PRIORITIES)</b>	<b>Improved outcomes for Pacific young people in education, training and employment</b>

By 2017 we will be recognised across Government and by Pacific communities as the key advisor and go-to agency for Pacific peoples in New Zealand. We will be the custodians of knowledge and expertise in all things Pacific, and on the impact of government programmes on Pacific New Zealanders.

We will continue to combine two roles which are mutually reinforcing: providing quality policy advice to government and engaging effectively with Pacific communities. Intelligence from our community engagements will inform our policy advice to provide an authentic Pacific voice. We will continue to be a lean organisation, drawing on the strength and resources of others to continue to deliver on our wide remit.

## 1.2 Strategic delivery

In the next four years we will continue to focus on work which can make the most difference for Pacific New Zealanders. The longer-term aim is to ensure Pacific people in New Zealand are earning a similar level of income to other New Zealanders. We will track earning trends annually through the *Household Labour Force Survey* and foster improvement through our work to enhance educational outcomes for Pacific students.

The main thrust of our work will be **education, youth, skills, training and employment**. This will support Government's *Better Public Services* (BPS) targets and directly contribute to achievement of:

- *In 2016, 98% of children starting school will have participated in quality early childhood education*
- *85% of 18 year olds will have achieved NCEA level 2 or an equivalent qualification in 2017.*

Our work will also support other BPS targets such as:

- *55% of 25 to 34-year-olds will have a qualification at NCEA Level 4 or above in 2017*
- *Increased childhood immunisation rates and reductions in levels of rheumatic fever.*

Work to support *education, youth, skills, training and employment*, our priority since 2012, is already showing promise. In some highlights:

- We have taken an innovative approach to increasing early childhood education (ECE) participation, promoting its benefits and enrolling Pasifika children through a mobile outreach service offered in conjunction with the Ministry of Education (MoE), as well as running informational workshops. MoE reports an increase in Pacific children attending ECE from 86.8 percent in June 2012 to 89.1 percent in September 2013.
- Activity to improve NCEA level 2 achievement helped contribute to a 1.7 percent increase between 2012 and 2013 – from 63.1 to 64.8 percent
- Our unique Pacific Employment Support Services scheme has enrolled 918 young people, with 323 starting jobs and 226 going onto further training.

### **1.2.1 Ministry Operations**

Our specific focus is on the Auckland region with its ever-increasing Pacific demographic. Increasing Pacific NCEA Level 2 achievement, increasing early childhood education participation rates, and sustaining in-depth engagement with our seven key Pacific communities to better inform policy decisions, will clearly mean an increase in capacity and resources over the next two-three years. We will re-allocate resources to support delivery of our priorities and outcomes.

We have an establishment ceiling of 42 FTEs and four directorates: Office of the Chief Executive; Policy and Research; Regional Partnerships; and Corporate Services and Organisational Development. As at 30 September 2013:

- We had 39 employees (37 permanent and 2 fixed term) in three locations
- Staff by location - Wellington 29; Auckland 7; and Christchurch 3
- Average age - 41.4 years with the workforce gradually ageing
- Average length of service – 4.5 years
- Turnover rate - 10.5 percent: as we are a small agency this can vary dramatically each year
- Seven percent of the staff are part-time
- Gallup employee engagement was 4.01 in 2012 placing the Ministry in the 72<sup>nd</sup> percentile of the NZ State Sector
- Staff exit surveys indicate the most likely reason for leaving is to advance career opportunities
- Percentage of staff of Pacific ethnicity - 70 percent.

The Ministry's management team is acutely aware of the need to deploy the funding we receive in the most effective and efficient manner. We do this through a business planning and budgeting process that factors in the trade-offs required to manage the business within the available resources. We endeavour to maintain a level of flexibility and to shift resources when and where necessary (such as reviewing the need to fill each vacancy when it arises).

### **1.2.2 Education, Youth, Training and employment**

Pacific peoples in New Zealand are a youthful population. Currently, the average age of New Zealand's Pacific population is 21.1 years, whilst the average for all New Zealanders is 35.9 years. This youthful population offers a huge economic opportunity for New Zealand at a time when most other developed countries are wrestling with the implications of ageing populations.

However, many young Pacific people are yet to achieve their potential in education and, in consequence, employment. This has impacts not only for Pacific communities, but for the New Zealand economy, and must be urgently addressed. This need to boost Pacific achievement is the focus of our work.

Our work in education focusses on improving participation levels and quality of provision in early childhood education (ECE), and on raising the number of Pacific students attaining NCEA Level 2 by age 18. All our education work is formalised in the *Pasifika Education Plan 2013-2017* (PEP) developed jointly with the Ministry of Education.

There is a strong evidence base to show that participation in ECE improves all future educational outcomes. Whilst average Pacific ECE participation is 86 percent, this figure masks considerable regional differences. The Ministry has identified that participation rates are particularly low in Auckland, and more specifically that 16 census area units within the region have large Pacific populations and lower-than-average attendance rates. Our ECE work will focus on these areas.

We will both encourage more Pacific families to enrol their children in registered ECE services and support Pacific communities to develop additional services to meet an increase in demand. We will also support the establishment of bilingual ECE units as a means of maintaining Pacific languages and cultures.

Currently 63 percent of Pacific students leave school with NCEA Level 2. To support achievement of the *Better Public Services* target of 85 percent of 18-year-old students achieving level 2 by 2017 we have identified 25 schools (T25) which educate over half the Pacific secondary school pupils in New Zealand. Twenty four of these schools are in Auckland and one in Wellington.

We have engaged with the principals of the T25 and developed a work programme to support future engagement with them. This work will focus on brokering relationships amongst the schools and between the schools and the community, and providing practical evidence from the schools about what works for Pacific students to the Minister and the Ministry of Education. We will continue to work with these schools, monitor our progress against our targets during the year and will publish the results annually.

We have been working jointly with the Ministry of Education on the *Pasifika Power UP* programme. This is a 12 month engagement programme for Pacific students, parents, families and communities, with the primary focus over the latter part of 2013 on Pacific students achieving NCEA Level 2. The most visible component of the Power UP programme is the eight week challenge delivered through PowerStations in Auckland and Wellington. A PowerStation is a study hub involving students, families and education providers.

The programme contributes to the Ministry's focus on engaging Pacific families and communities in educational success for their young people. We will continue to work with Ministry of Education in the development, implementation and evaluation of the programme while also seeking new collaborative opportunities to meet the *Better Public Service* targets.

We also support the Young Enterprise Trust (the Trust), which runs NCEA-accredited entrepreneurship programmes in schools. For the past three years we have sponsored a Pacific category in the national awards for young entrepreneurs, and are likely to continue some form of support for the Trust's work. We are aiming to increase the number of Pacific participants in the programme from seven percent last year to ten percent in the next five years, and to increase from nine to fifteen the number of T25 schools participating in the Trust's programmes. This will have a direct impact on the NCEA Level 2 achievement of Pacific students.

Supporting young Pacific people once they have exited compulsory education is also important to us. Pacific young people will be a significant proportion of New Zealand's future workforce and an increasing proportion of the taxpayer base. Successful transition from education to employment will provide an opportunity for these young people to contribute positively to New Zealand's future economic growth.

We have successfully managed the *Pacific Employment Support Services* (PESS) pilot programme over the past four years. PESS is funded through an additional \$1 million per annum appropriated in Budget 2010 to allow us to pilot different approaches to supporting

young Pacific people into employment and training. Current funding ends in June 2014. The Ministry will be seeking one additional year's funding to develop and implement a transition plan to ensure that the PESS programme's focus on supporting Pacific youth in South Auckland continues. During this one-year extension the Ministry would implement outcome-based contracts with providers to deliver approved services to Pacific youth aged 16-19 years, and achieve a further 150 placements into employment and 125 placements into training.

We have also partnered with the Tertiary Education Commission (TEC) to deliver the *Pacific Trades Training Initiative* (PTT). The PTT is linked to the *Skills for Canterbury* additional trades training places and is designed to stimulate Pacific engagement in trades-related training. The programme was expanded to 3,000 additional places for Maori and Pacific trainees during 2013. Our main role is to assist in the promotion of the initiative to Pacific communities. We will continue to work with the TEC on delivery of the programme and to make a sound business case for increasing spaces for Pacific participants in coming years.

In addition to our focus on education, youth, skills training and employment the Ministry will continue other areas of work including support for Pacific communities in the maintenance of their languages and cultures, through developing community capacity to support and deliver on language-focused Community Action Plans. In collaboration with Pacific communities, government agencies and other organisations, we will maintain support for Pacific language weeks, and will explore the wider benefits of a broader approach to literacy in Pacific languages as well as English.

We will also canvass development of innovative approaches for improving the Minister of Pacific Island Affairs Advisory Council's ability to deliver timely, appropriate and high quality advice to the Minister on issues affecting Pacific people in New Zealand. This will include development of a work-programme aligned to the Government's *Better Public Service* targets and other key priorities for the Pacific portfolio, enhancing the profile of the Council by strengthening its connection with key Pacific organisations and communities, and exploring the opportunity for the Council to sponsor specific projects to improve outcomes for Pacific people in New Zealand.

The Auckland region remains critical in the Ministry's engagement, communications and policy advice due to the high concentration of Pacific people in Auckland and hence its contribution to meeting our vision of Successful Pacific peoples. The majority of the Pacific population resides in the Auckland region which represents 66 per cent (194,958) of all Pacific people (295,941) living in New Zealand. Improving Pacific outcomes in Auckland will enable improved Pacific outcomes nationally. A project to assign more resources to the Ministry's Auckland operation will assist in meeting the Ministry's educational and community engagement objectives in the Auckland region.

A specific initiative has been included in this plan to enable the fast-tracking of the project and a swifter move towards a more mobile delivery of services in the Auckland region. The reallocation of resources to the Auckland Region will occur if the bid is not accepted, however it will take longer to implement the desired changes.

A key element in this four-year plan is strengthening the Ministry's communication services to and from Pacific communities, thus increasing our effectiveness as the conduit between Pacific communities and Government.

Responding to Cabinet's direction on the Whanau Ora programme, the Ministry is working alongside Te Puni Kokiri (TPK) to develop and implement a commissioning agency for Pacific families and communities. The commissioning agency is expected to be established

in March 2014 and will begin its work in June 2014. We have closely supported this work , convening a steering group of senior officials from across the state sector to assist and guide our involvement in the programme. Pacific communities expect us to maintain a similar level of engagement in the implementation of the commissioning agency. Resource implications have been discussed with TPK, and senior officials from both agencies are currently assessing the resources needed to do this in the next 12 to 18 months.

The Ministry will continue to manage contracts delivered under its Non-Departmental vote. We will work closely with the Pacific Business Trust (PBT) to support new and growing businesses, both for- and not-for-profit. The capacity building work and other services from the Trust support our mission of effecting positive change for Pacific peoples. Based on the 2006 census, Pacific peoples are much less likely to be self-employed (4.3 percent compared to 12.9 percent for European and 6.5 percent for Maori) or business owners without employees (1.6 percent compared to 7.9 percent for European and 3.3 percent for Maori). PBT services aim to address this low business development outcome for Pacific peoples. The services also recognise the specific and unique needs and challenges faced by Pacific peoples who wish to start and operate successful businesses. We will complement our work through the Trust through our contract with RIM Consultants Ltd to implement and deliver the Pre-Business Training programme.

### 1.2.3 Management of Information

One of the Ministry's strategies is to establish our Kupenga, the Pacific Body of Knowledge to support our identity as the recognised go-to agency for Pacific-related information.

The Ministry will either hold the information sought, facilitate access to it, or identify where the information is held.

To support this strategy, we are reviewing the current file management system(s) and exploring options for an Electronic Document Record Management System (EDRMS). This will allow efficiencies in how we store, and provide access to, multiple information types.

In developing an information strategy we will select a solution that supports the All of Government (AOG) vision's five themes for the future:

- Improve access to information and knowledge
- Support and encourage collaboration and knowledge sharing
- Leverage technology to enable smarter information management
- Protect and preserve information
- Leverage best practice to improve information management

The Ministry's vision for the future reflects not only the desire to address known problems, but to transform the way we engage with, create, share, and use information.

Delivering an up-to-date, standardised, simplified technology platform based on an electronic content management system (ECMS), will enable us to:

- Create and access information anywhere, anytime
- Easily locate the information that's important to us
- Easily reuse and share it with others
- Manage our information well over its lifetime, so that it remains accessible for as long as it is needed
- Easily collaborate with our colleagues within the organisation and externally

- Manage our information well with minimum individual effort

## **1.3 Risks to implementation**

### **1.3.1 Risks to Implementation**

The Ministry is a boutique agency with budget and staffing that reflects this size. This demands continual discipline and active management to deliver our work programme in a timely and effective way.

We have, over the past 12 months, developed a number of collaborative working relationships with larger agencies (Ministry of Education and associated agencies including the Education Review Office, Careers NZ, NZ Qualifications Agency, Tertiary Education Commission as well as Te Puni Kokiri) in the pursuit of our own work programme. Several new collaborative partnerships are currently being formed, with agencies including the Ministries of Social Development and Business, Innovation and Employment.

These new relationships ensure that we use our core expertise efficiently, and serve to mitigate the pressure on our own small teams in Auckland, Wellington and Christchurch as they do more with less.

The Ministry has strengthened staff capability by secondments in and out of the organisation, and established a network of senior Pasifika public servants. These moves have helped to strengthen our knowledge of work programmes and of Pasifika people's talent and knowledge across the state sector.

Continuing work to strengthen information management, including establishment of our Kupenga as a clearing house and repository for intelligence gathering, helps protect institutional knowledge loss. This will help with knowledge retention when staff turnover occurs.

Annex 2.6 identifies the implementation risks and the mitigation required.



## 1.4 Organisational capability and workforce

### 1.4.1 Organisational / Sector Capability

We develop and contribute to policy relating to Pacific peoples living in New Zealand. We also provide research, information, and advice to other agencies regarding the impact their policies and programmes will have on Pacific New Zealanders. We continue to sharpen our focus particularly on our priority to improve outcomes for Pacific young people in education, training and employment. At the same time we are mindful of the need to obtain maximum impact by pursuing partnerships with allied agencies and inter-sectoral work.

A distinct and sought-after competence is our extensive engagement with Pacific communities through our regional relationships teams in Auckland, Wellington, and Christchurch. These teams provide a two-way communication conduit between government and Pacific communities.

The Ministry is currently considering strengthening its Auckland Regional office operations. The critical mass of Pacific population is in the Auckland region. We anticipate that improvements to the education and employment status and outcomes of Pacific people in Auckland will have a direct impact on the overall achievement of Ministry targets. At present the current resourcing distribution has meant that engagement with the wider Auckland region, (which includes Northland and the Waikato regions), has been sporadic at best. Balancing community demands and expectations of the Ministry against Ministry priorities and the expectations of partner agencies continues to challenge the current capacity and capability of the Auckland regional office.

The PIF reviews of the Ministry in 2011 and 2012 identified communications, including senior management communication, and clarity of roles and responsibilities within the Ministry as key areas for improvement. Staff development, contract management capability, and regional operations were noted together with the need for improved relationships with key stakeholders and in Nominations and Ministerial servicing. Addressing these organisational gaps will continue to be a major focus of the Ministry.

We will drive overall capability improvement through a competency framework for determining progression and professional development. By broad-banding career and pay structures we can better reward and retain high performing staff and pay more attention to continuous development. We anticipate that this will improve our ability to lead inter-agency projects involving high intellectual complexity and rigorous peer review. A clearer understanding of our unique policy contribution and our regional teams' input to policy advice will likewise be a continuing focus. We will enhance policy advice through a review of the *Pacific Analysis Framework* and *Community Engagement Framework* planned for completion in 2014. Work on reviewing the Ministry's Memorandum of Understanding arrangements will clarify and improve policy and operational relationship with key stakeholders and partners..

### 1.4.2 Change leadership

Strategic oversight from the Senior Leadership Team (SLT) will drive a one team approach. We anticipate a rationalised Ministry organisational structure with improved accountability arrangements at all levels. To create a Ministry that is adaptable and highly responsive, we will prioritise the development of front-line managers' people leadership skillset, with an emphasis on operationalising strategy execution and staff engagement. We will task, support and develop staff to focus more sharply on delivery of our priority outputs **education, youth, training and employment**.

Pacific young people will be a significant proportion of the future workforce and taxpayer base, making a successful transition from education to employment vital. Crucial to this is the Auckland region, where more than two-thirds of Pacific people live. Improving outcomes for them is a Government priority.

This will require building capability and capacity in our Auckland office to strengthen and maintain deep, strong and trusting relationships with and across Pacific communities, schools, the tertiary education and training sector, and other agencies. Key to this will be strengthening the leadership of our senior managers – to provide strong direction and clear accountability and business acumen to staff, complementing a renewed focus on community engagement and the implementation of our *Pacific Analysis Framework*. This will enhance understanding of the Ministry's strategic positioning and added value contribution which, in turn, will lead to smarter business planning, resource allocation decisions and contract management practices based on monitoring, evaluation and reporting of performance against outcomes.

We are a small agency. Recognising this, we continue to seek innovative ways to influence inter-agency collaboration, to achieve our objectives through quality relationships with other agencies, and to provide Pacific intelligence and expertise to their decision-making processes.

### **1.4.3 Culture**

A follow-up *Performance Improvement Framework* (PIF) review in June 2012 confirmed the solid progress we have made in standards of professionalism and overall performance. We act continually to shape and reinforce our desired culture, behaviour and values. Creating a highly-motivated nimble workforce with increased mobility to deliver on our priorities will continue to be a key goal. We will recognise and develop leaders who are passionate about our vision and who will drive achievement through the guidance and support they provide to others. They will drive engagement by creating an environment where people feel successful and an integral part of what the greater team is trying to accomplish.

We will focus on how we create and share information internally, as well as externally, in order to build a strong, engaged and focussed team. We understand that the more information staff have, the more likely they are to have a shared mind-set, and to act and 'think, one team'. Our team will be unified, responsive, visible and unique.

### **1.4.4 Workforce**

We will continue to develop new ways of working with and leveraging off our alliances with other agencies. Examples include secondments in and out of key personnel to enhance relationships and inter-agency learning opportunities, to enable a greater understanding of other organisations' outcomes for Pacific peoples and to facilitate co-design of policy and services (e.g. the Ministry of Education). We will also explore opportunities to build a collaborative community of Pacific senior officials across the public service, bringing the talents, knowledge and experience of diverse specialists to common-purpose sector group projects and initiatives. This could include secondments into the Ministry for knowledge-sharing and transfer. This approach would also cultivate an ethic of shared purpose amongst contributors, fostering more effective integrated solutions.

Productive working relationships with others will require us to reinforce and promote recognition of our point of difference as the best two-way conduit between government and Pacific communities. The combination of our strategic workforce direction and medium-term intentions will ensure and sustain our role as the government's Pacific conduit. Ownership,

communication and evaluation of the impact of our strategic direction and workforce strategy will remain with the Senior Leadership Team.

With the emphasis on the Auckland region as a Government priority target audience for achieving success with Pacific young people in education, training and employment, there is an on-going need to review our workforce capacity to meet the demands of an increasing Pacific demographic population. There will be an organisational change impact as we refine the ways of responding to the future, and accordingly we will optimise our capacity and resources to meet this trend. We will continue to review this requirement, including the benefits and risks, of internal resource shifting.

To enhance perception of the Ministry as an employer-of-choice, and to attract and retain high performing staff we frequently test our employee value proposition. When Ministry vacancies are advertised, for example, we highlight the opportunities to contribute to Pacific aspirations, the workplace environment, and the benefits of working within a small focussed Ministry. Our vacancies consistently attract high calibre position-suitable applicants from our seven Pacific communities, and from the wider community.

Reward and recognition will be based on ongoing measurement and improvement, with a strong focus on distinguishing high from average performance and offering increased remuneration and development opportunities. We will encourage closer monitoring and tracking of staff performance through appropriate training sessions with the senior leadership team of the Ministry. Consideration of staff participation in after-hours community engagements will be incorporated in performance management appraisals..

Better communication of the Ministry's unique Pacific values and differences, and the use of social media to build a higher profile will engage and motivate our target audiences. In this way we will continue to attract high-calibre personnel to meet our current and future business requirements.

#### **1.4.5 Capability**

The focus over the next four years will be to build staff capability to deliver on current priorities, and to ensure preparedness for future work. To achieve this the Senior Leadership Team has instigated a two-pronged approach: a structure to ensure clear lines of accountability and management responsibility to foster organisational development, and, individual development plans, a whole of organisation training framework, and clear expectations to foster staff growth..

We will explore opportunities for an interactive learning community, combining training and learning with other public sector agencies. This will achieve cost efficiencies through economies of scale and shared resources, and economies of skill through the sharing of knowledge and skills – creating a wider pool of sector expertise.

#### **1.4.6 Capacity**

##### **Internal Demand – the Ministry**

We will foster organisational culture change to bring about greater responsiveness, unity, clarity, and agility; clearer accountability lines; and staff understanding of high performance as the driver for individual and organisational success. A review of the Ministry's *Pacific Analysis Framework* and *Community Engagement Framework*, allied to closer collaboration

between regional units and the policy team will lead to better intervention logic, and guide staff behaviour and pursuit of our specific and joint outcomes now and in the future.

Managing competing priorities, delivering government policy changes, managing business as usual, and business transformation goals means there is never any spare capacity. We will be innovative, generate efficiencies, and get better traction on cross-agencies issues as we deliver on *Better Public Service* targets.

## 1.5 Financial summary

### Operating – Departmental

	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Current operating expenditure baseline	6.298	5.914	5.914	5.914	5.914
<b>Add</b> any indicative allocation advised of	0.000	0.000	0.000	0.000	0.000
<b>Equals</b> Total funding level for planning	6.298	5.914	5.914	5.914	5.914
Financial movements					
<b>Add</b> cost of new activity to be funded from current baselines	0.000	0.000	0.000	0.000	0.000
[11]					
<b>Add or Subtract</b> vote transfers	0.000	0.000	0.000	0.000	0.000
<b>Subtract</b> any indicative allocation advised of (as above)	0.000	0.000	0.000	0.000	0.000
<b>Equals</b> Total funding level for planning	6.298	5.914	5.914	5.914	5.914

## Operating – Non Departmental

All Non-Department vote is contracted to third parties. While there is cost pressure within those organisations we are not privy to that information and we expect them to build these cost pressures into their proposals. The likely effect will be a reduction each year in the amount of services being purchased.

	2013/14	2014/15	2015/16	2016/17	2017/18
	\$0.000m	\$0.000m	\$0.000m	\$0.000m	\$0.000m
Current operating expenditure baseline	2.554	1.409	1.409	1.409	1.409
<b>Add</b> any indicative allocation advised of	0.000	0.000	0.000	0.000	0.000
<b>Equals</b> total funding level for planning	2.554	1.409	1.409	1.409	1.409
<b>Financial Movements</b>					
<b>Add</b> cost of new activity to be funded from current baselines	0.000	0.000	0.000	0.000	0.000
<b>Add</b> total cost pressures	0.000	0.000	0.000	0.000	0.000
<b>Subtract</b> significant changes that will generate savings	0.000	0.000	0.000	0.000	0.000
<b>Add or Subtract</b> vote transfers	0.000	0.000	0.000	0.000	0.000
<b>Subtract</b> any indicative allocation advised of (as above)	0.000	0.000	0.000	0.000	0.000
<b>Equals</b> Total Funding level for Planning	2.554	1.409	1.409	1.409	1.409

### Capital - Departmental

	Increase (Decrease)				
	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating balance funding available	0.983	0.923	0.863	0.803	0.743
<b>Add</b> depreciation funding received	0.040	0.040	0.040	0.040	0.040
<b>Add</b> receipts from sale of assets	0.000	0.000	0.000	0.000	0.000
<b>Add</b> other (please specify)	0.000	0.000	0.000	0.000	0.000
<b>Equals</b> total baseline funding available	1.023	0.963	0.903	0.843	0.783
<b>Subtract</b> capital investments funded from baselines	0.100	0.100	0.100	0.100	0.100
<b>Equals</b> closing baseline funding available	0.923	0.863	0.803	0.743	0.683

### Capital – Non Departmental

	Increase (Decrease)				
	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Baseline funding available for the purchase or development of Crown capital assets	0.000	0.000	0.000	0.000	0.000
<b>Add</b> capital investments in organisations other than departments	0.000	0.000	0.000	0.000	0.000
<b>Equals</b> total	0.000	0.000	0.000	0.000	0.000

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## Annex 2.2 Supporting financial information

### 2.2.1 Cost Pressures

#### Departmental

<b>Summary Table of Total Operational Cost Pressures</b>	<b>2013/14 \$0.000m</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
From Increased Service Demand	0.000	0.000	0.000	0.000	0.000
[11]					
From Capital Planning	0.000	0.000	0.000	0.000	0.000
From Other	0.000	0.019	0.036	0.054	0.070
<b>Total</b>	[11]				

#### Non Departmental

<b>Summary Table of Total Operational Cost Pressures</b>	<b>2013/14 \$0.000m</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
From Increased Service Demand	0.000	0.000	0.000	0.000	0.000
From Direct Employment Costs	0.000	0.000	0.000	0.000	0.000
From Capital Planning	0.000	0.000	0.000	0.000	0.000
From Other	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	0.000	0.000	0.000	0.000	0.000

#### 2.2.1.1 Cost pressures arising from increased service demand

The Ministry does not provide any services whereby increased demand directly results in increased costs.

<b>Cost Pressures arising from increased demand on service delivery and short description</b>	<b>2013/14 \$0.000m</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
No pressures	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	0.000	0.000	0.000	0.000	0.000

### 2.2.1.3 Operational cost pressures arising from capital planning

The Ministry is not a capital intensive agency therefore does not encounter cost pressures from capital planning.

<b>Cost Pressures arising from Capital Planning</b>	<b>2013/14 \$0.000m</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
No pressures	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	0.000	0.000	0.000	0.000	0.000

### 2.2.1.4 Other cost pressures

<b>Cost Pressures arising from Other</b>	<b>2013/14 \$0.000m</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
General cost pressures associated with inflation	0.000	0.019	0.036	0.054	0.070
<b>Total</b>	0.000	0.000	0.000	0.000	0.000



[11]

### 2.2.3 Vote transfers

<b>'From' or 'to' and name of agency on other side of transfer</b>	<b>2013/14 \$0.000m</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
No vote transfers are proposed at this stage	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	0.000	0.000	0.000	0.000	0.000

[7]

[7]

<b>Initiative Name</b>	<b>Vote</b>	<b>Department</b>	<b>Contact Person</b>
Strengthening of resources in the Auckland Region	Pacific Island Affairs	Ministry of Pacific Island Affairs	Sua Thomsen, Executive Director

**Describe what this funding request is for and what the expected results from this spending are.**

A key element in this four year plan is the strengthening of Ministry communication services to and from Pacific communities and the importance of assigning more resources to meeting the Ministry's educational and community engagement objectives. As the majority of Pacific peoples live in the Auckland area this is a major focus for the Ministry, however at present not all resources may be in the most appropriate place.

This funding is sought to enable any transformation identified in the analysis, to be undertaken shortly, to be put in place in the 2014/15 year.

**Describe how the expected results will be measured.**

The results will continue to be measured through the Ministry's existing monthly reporting against outputs and outcomes and particularly through stakeholder satisfaction surveys.

**Budget 2014**

<b>Funding Sought at Budget 2014</b>	<b>2014/15 \$0.000m</b>	<b>2015/16 \$0.000m</b>	<b>2016/17 \$0.000m</b>	<b>2017/18 \$0.000m</b>
<b><i>Operating</i></b>				
Operating funding sought	0.500	0.000	0.000	0.000
<b><i>Capital</i></b>				
Capital funding sought	0.500	0.000	0.000	0.000

**Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:**

The amount sought is to enable and cover any additional costs that may arise from moving resources within the Ministry to strengthen and respond to the growing Auckland demographic. The Capital allowance provides cover for any costs involved in providing a more mobile workforce as well as any costs that come from physical relocation (i.e. Fitouts)

**Describe if this initiative might require additional funding in future years:**

At this stage we anticipate that no additional funding will be required, however that will

become clear once the detailed evaluation and business case is completed.

**Describe how this new funding request supports the Governments priorities:**

The Auckland region remains a critical element in the Ministry's communications and policy advice due to the high concentration of Pacific people in Auckland and its contribution to meeting the Ministry's vision of Successful Pacific Peoples. The majority of the Pacific population resides in the Auckland region which represents 67 per cent (177,936) of all Pacific people (265,974) living in New Zealand. This regional population is expected to grow and it is therefore critical that the Ministry builds its capacity and capability to respond to the demand and impacts of this growing population on government priorities and service delivery.

**Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:**

The funding will further support the Ministry's strategic direction focussed on education, youth and skills in addition to its facilitative role between government agencies and diverse Pacific communities.

**Describe why this new initiative cannot be funded within baselines:**

There is insufficient headroom in the current baseline to cover such a large single event. On-going cost pressures also mean that we cannot use transfer mechanisms under the Public Finance Act. Redeployment of vacancies has been factored into the budget being sought.

**Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:**

The Ministry is currently about to engage in an analysis to determine the scope and extent that is required for the exercise. This will set the actual budget bid to come through early in 2014.

**Describe the implication if this funding is not approved:**

The focus of resources to Auckland will still occur, however it will take considerably longer to implement.

**If partial funding of this initiative is an option, please describe how partial funding might work:**

The operating and capital funding sought is a maximum estimate at this stage, ahead of detailed work to be completed. Therefore the actual amount sought may be lower.

Initiative Name	Vote	Department	Contact Person
Pacific Employment Support Services Programme	Pacific Island Affairs	Ministry of Pacific Island Affairs	Margaret Davison

**Describe what this funding request is for and what the expected results from this spending are.**

This is for additional funding of \$1.1M in funding to extend the programme for one year. This will support the continuation and refinement of investment in the Pacific Employment Support Services programme. During 2014/15 programme delivery will focus on supporting young Pacific people 16 and 17 years old to achieve employment and training outcomes, as well as working with school student who are at risk of leaving school early and becoming dependent on benefits. The funding will allow continuation of the programme while an investment model is developed and embedded in other mainstream government programmes. In addition the programme will achieve an additional 150 placements into employment and 125 placements into training.

**Describe how the expected results will be measured.**

The results will continue to be measured through the existing monthly reporting against contracted outputs and outcomes. This will be supported by a broader evaluation that will be started in the latter part of the 2013-14 financial year. As the programme was only started in January 2011, it has not been possible to do a large scale evaluation any sooner. Therefore, full evaluation results will not be available until after funding for the existing programme ceases. Indications are that the programme is proving successful and the Ministry is keen to continue momentum whilst future arrangements are being secured.

**Budget 2014**

Funding Sought at Budget 2014	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
<b>Operating</b>				
Departmental	0.100	0.000	0.000	0.000
Non Departmental	1.000	0.000	0.000	0.000
<b>Capital</b>				
Capital funding sought	0.000	0.000	0.000	0.000

**Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:**

This is the total amount sought
<p><b>Describe if this initiative might require additional funding in future years:</b></p> <p>The initiative might require additional funding in future years, however this may be through other Votes. [11]</p> <p>or via philanthropic trusts. This additional year of funding will assist the Ministry to complete an investment model and use this to transition the programme to a more sustainable approach with funding from elsewhere.</p>
<p><b>Describe how this new funding request supports the Governments priorities:</b></p> <p>The funding will assist Pacific youth to improve literacy and numeracy, increase achievement of NCEA levels 2 and 4 and develop skills to secure and retain employment. A further 125 training placements will enhance the employability of young Pacific people, and a further 150 sustainable employment placements will provide economic benefits through reduced unemployment and reducing future dependency on benefits.</p>
<p><b>Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:</b></p> <p>There is a close alignment with this project and the Ministry's Intermediate Outcomes (Ministerial Priorities) to achieve "Improved outcomes for Pacific young people in education, training and employment."</p>
<p><b>Describe why this new initiative cannot be funded within baselines:</b></p> <p>The Ministry does not have the capacity to fund within baselines. Discretionary funding available to the Ministry is low.</p>
<p><b>Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:</b></p> <p>This is a one-year extension to an existing Ministry programme. No other government department is providing a programmed tailored in this way to Pacific youth</p>
<p><b>Describe the implication if this funding is not approved:</b></p> <p>If this funding is not approved the programme will cease to exist. Loss of momentum will make it harder for other providers to pick up the programme in future years. Early indications are that the programme is making a significant impact on the employability and career prospects of Pacific youth. This will have a major impact on the benefit dependency of this group, and will lead to significant benefit savings over the lifetime of the participants.</p>
<p><b>If partial funding of this initiative is an option, please describe how partial funding might work:</b></p> <p>It is unlikely that the Ministry would have partial funding available for the start of the 2014-15 financial year. This may be an option to consider for future years.</p>

## **Annex 2.4 Capital Intentions**

### **2.4.1 Current state**

The Ministry is not a capital intensive agency with our assets mainly falling into ICT, office equipment, a small fleet of vehicles and leasehold improvements (where applicable). Replacement of such items is considered as part of the annual budgeting cycle to ensure that the Ministry has the equipment that it needs to operate, but at the same time does not have assets under-utilised. This is all achieved within a PLA of \$100,000.

### **2.4.2 Trends**

The Ministry need for capital is reasonably constant and apart from what may come is not a capital intensive agency with our assets mainly falling into ICT, office equipment, a small fleet of vehicles and leasehold improvements (where applicable).

### **2.4.3 Potential for private sector investment**

Given the nature of our assets private sector investment is not practical outside of the leasing of certain types of equipment.

### **2.4.4 Existing balance sheet**

At 30 June 2013 the Ministry had a balance of Operating Funding of \$0.983m, Fixed Assets of \$0.994m and Accumulated Depreciation of \$0.954m. Given that the asset base is largely assets connected with the management of an office environment, rather than productive capital, management at a level appropriate to the level of risk.

Asset replacement decisions are based on the on-going needs of the Ministry at the time that the replacement is needed.

### **2.4.5 Major capital decisions/challenges**

The Ministry is intending to move towards a more mobile workforce that is better placed to meet the needs of its communities. This may involve the need to increase the size of the current vehicle fleet and invest in mobile ICT. There is a potential for some capital requirements that may come out of the relocation of the Wellington office, and also connected with additional resourcing of the Auckland office, but exact amounts are unclear.

### **2.4.6 Strategy for managing capital**

We will continue to manage capital as per our current practices.



## **Annex 2.5 Government ICT Strategy and Action Plan to 2017 - Alignment of agency ICT Strategies to Destination 2017**

The Ministry's response to the four focus areas of the ICT Strategy:

### ***2.5.1 Services are digital by default.***

While the Ministry is primarily a policy and relationships agency, and does not deliver services direct to the public, we are enhancing those aspects of our community involvement where possible.

Recent changes include:

1. New content on available scholarships on our website that provides up-to-date information and links for applying for these scholarships.
2. Online subscription to the MPIA newsletter that can be delivered electronically or in hard copy format.
3. Nominations service. Pacific people who want to be considered for appointment to state sector boards and committees can apply online for registration on our nominations database.

### ***2.5.2 Information is managed as an asset.***

The Ministry recognises that information is an asset and is seeking to manage it as such. The MPIA Information Hub "Kupenga" is an initiative aimed at this very purpose. This is being designed so that the Ministry is seen as a gateway for anyone requiring information about or relevant to Pacific communities.

### ***2.5.3 Investment and capability are shared.***

The Ministry has already invested in many of the All-of-Government initiatives to take advantage of the collective purchasing power of these contacts.

We are currently investigating moving to the "Infrastructure as a Service" (IAAS) platform, however no decision has been made until a full cost/benefit analysis has been completed. [11]

The Ministry is aware of the services available through Department of Internal Affairs and the All-of-Government (AoG) initiatives regarding shared resources, infrastructure and procurement. We are maintaining a watching brief of these services and how they may be incorporated into the Ministry's ICT environment.

The Ministry will seek to collaborate with other agencies in the delivery of ICT services where the economies of scale deliver a better service than the Ministry can achieve on its own.

#### ***2.5.4 Leadership and culture deliver change.***

The Ministry already works collaboratively with other departments and will look to extending this into the ICT area where practicable given our small size.

## Annex 2.6 Risks

### 2.6.1 Strategic & Operational Risks:

The key strategic and operational risks facing the Ministry are outlined in the table below:

Risk Number	Description	Likelihood	Consequences	Exposure	Financial Impact and timing by year (where applicable)	Treatment/ Mitigation
1	Baseline pressures impact upon ability to deliver outputs	Almost certain	Severe	Very High	On-going	<ul style="list-style-type: none"> <li>Implement accurate budgeting and forecasting systems. Look to achieve savings through all of government arrangements.</li> <li>Quarterly strategic planning and decision making prompts regular review of baseline pressures and work priorities.</li> </ul>
2	High staff turnover resulting in loss of institutional knowledge, workload stress on other staff and ineffective management or weakened leadership	Likely	Severe	High	On-going	<ul style="list-style-type: none"> <li>On-going monitoring of staff engagement. Instigate succession planning in key positions.</li> <li>Create development opportunities, e.g. secondments to other agencies to gain knowledge and experience, and secondments into the Ministry for knowledge transfer and on-the-job up-skilling</li> </ul>
3	Unable to manage communities' expectations of Government funding	Possible	Moderate	Moderate	On-going	<ul style="list-style-type: none"> <li>We are clear with the community about our resources and limitations</li> </ul>
4	Unable to manage other agencies expectations of / requests for our input into their work	Possible	Moderate	Moderate	On-going	<ul style="list-style-type: none"> <li>We will ensure that all external requests are prioritised and we respond to issues of critical importance to Pacific New Zealanders</li> </ul>

Risk Number	Description	Likelihood	Consequences	Exposure	Financial Impact and timing by year (where applicable)	Treatment/ Mitigation
5	Loss of influence and relationships with other agencies that the Ministry works collaboratively with.	Possible	Severe	High	On-going	<ul style="list-style-type: none"> <li>• Ensure relationship management is a key priority using current and developing tools</li> <li>• Ensure that the Ministry continues to perform its part of any collaboration to the best of its ability.</li> </ul>

### 2.6.2 Resilience:

The Ministry would give itself a rating of 3. While its size makes it adaptable to change, it is also more vulnerable to the effect of staff turnover.

### 2.6.3 Risks to the sustainability of the 4YP beyond 17/18:

We do not see any changes in risks that have been noted in this plan beyond 17/18.

## Annex 2.7 Government priorities

### 2.7.1 Delivering Better Public Services

As mentioned previously the main thrust of our work will be **education, youth, skills, training and employment**. This will support Government's Better Public Services (BPS) targets and directly contribute to achievement of:

- *In 2016, 98% of children starting school will have participated in quality early childhood education*
- *85% of 18 year olds will have achieved NCEA level 2 or an equivalent qualification in 2017.*

Our work will also support other BPS targets such as:

- *55% of 25 to 34-year-olds will have a qualification at NCEA Level 4 or above in 2017*
- *Increased childhood immunisation rates and reductions in levels of rheumatic fever.*

The Ministry modifies its outputs each year in order to work with the larger Departments where we can make a difference. Apart from the resource necessary to maintain a watching brief on other areas that affect Pacific peoples, we will commit as much resource as is available. We do not define our resources into unique Government priorities as improving the current state on Pacific peoples will meet several targets at once.

### 2.7.2 Canterbury Rebuild

The Ministry is currently developing and leading the co-ordination of the Canterbury Pacific Recovery Plan with government agencies and Pacific communities. This is the major focus of our Christchurch operation.

### 2.7.3 Building a more productive and competitive economy (Business Growth Agenda work-stream)

As noted earlier the Pacific population in New Zealand is younger than the average, and their birth-rate is higher than other ethnic groups. Therefore if New Zealand wants to build a better economy the Pacific community is vital to that success. This underpins our work in improving the Pacific peoples' education; youth skills, training and employment will all pay dividends to both the community and New Zealand as a whole.